

### Unprecedented Level of Reporting

- USEITI will have an unprecedented level of disclosure that will improve and build upon the already existing high levels of transparency for the extractive industries in the US.
- There is no other country that has signed up for EITI similar to the United States in terms of size, diversity of extractive industries, significant private as well as public ownership of mineral rights, complexity of its federal and legal system, and robust reporting mechanisms between companies and government that are already in place.
- USEITI will have three types reporting to improve the public's understanding of the extractive industries in the US:
  1. *Government and company disclosure and third party reconciliation*: Reconciliation and reporting of 80% in the first year (which represented about 40 parent companies, including all their subsidiaries, with \$50 million or more in payments in 2012; totaling over \$9.1 billion USD) and 90% in the second year (about 70 parent companies, including all their subsidiaries, with \$20 million or more in payments in 2012; totaling over \$10.2billion) of all rents, royalties, bonuses, and fees paid by extractive companies to the Department of Interior for the commodities oil, gas, coal, other leasable minerals, and non-fuel minerals (such as hard rock, sand, and gravel), geothermal, solar, and wind.
  2. *Unilateral disclosure of government revenue collection records*: Reporting of 100% of the payments made by ~3000 payors to the US Department of Interior, including for commodities beyond those material for reconciliation.
  3. *Publicly Sourced Narrative*: Compilation and reporting of already available from public sources.
- The Department of Interior will report disaggregated project-level data to the extent allowable by law.
- In addition to EITI Reports, the US Department of Interior plans to report data through a public searchable online database that can be queried by company, state, commodity and type of revenue.

### A Justifiable Request for **Partial** Adapted Implementation

- Reconciliation and reporting of sub-national transfers are within scope for USEITI and include approximately \$2 billion (2012) in disbursements made to US states for extractive revenues generated on Federal lands located in these states. Therefore, the US is only requesting **partial** adapted implementation for subnational payments: for those revenues collected directly by states.
- Adapted implementation for the US represents a consensus of the USEITI MSG and is a practical and reasonable request:
  - 33 of 50 states produce oil, gas, or coal, while almost every state produces some non-fossil minerals.
  - Many individual states have large mineral extractive sectors (e.g., Texas produces more natural gas than Norway, and eight U.S. states produce more natural gas than Azerbaijan).
  - Under the U.S. Federal Constitutional structure, states maintain ownership of some lands and minerals and develop their own revenue collection regimes applicable to oil, gas, and mining in order to collect extractive revenues directly.
- The USEITI MSG was successful in finding a realistic solution for increasing transparency of subnational payments by defining an “opt in” for states since the federal government cannot obligate states to participate and even if it could, one model could not account for the complexity of revenue collection regimes in individual states.

### Workplan

- MSG views the work plan as a fluid document that will continuously improve and be aligned with US national objectives